

**BRIGHAM CITY CORPORATION
PUBLIC UTILITY ADVISORY BOARD**
For Wednesday, April 20, 2005

Present: Dennis Fife, Vice-Chair
Brad Barber, Board Member
John Gunderson, Board Member
Art Uken, Board Member

City Staff: Jon Adams, Council Member
Bruce Leonard, Director
Public Works
Blair Blonquist, Superintendent
Water Department
Darin McFarland, Superintendent
Street Department

Excused: David Hacking, Chair
John Parson, Board Member

Meeting was called to order at 7:10pm

Approval of Minutes from March 16, 2005

A motion was made by Brad Barber to approve the minutes of March 16, 2005, second by John Gunderson, motion passed unanimously.

Culinary Water Consumer Confidence Report – Blair Blonquist, Water Superintendent

Superintendent Blonquist passed out two drafts of the Culinary Water Consumer Confidence Report and stated the format is much the same on both reports. The difference is one is multi-colored which makes a difference in cost of a \$1000. He said in the past, as you recall, we have always had just the two colored report. He stated many communities have gone to the multi-colored format to draw the attention to specific areas. Superintendent Blonquist said we wanted your input on the format.

Council Member Adams said that the information in the report was great. He said he did have one comment which was it is hard for him to read with the dark blue background. The Board members agreed. Superintendent Blonquist stated we could change it. Mr. Uken verified with Superintendent Blonquist that he was asking them to choose a format. He replied, yes.

Superintendent Blonquist said the whole report will be on the website.

Mr. Barber said he didn't think we needed to spend \$1000 extra just for more color. Superintendent Blonquist said the multi color could be on the website for a better appearance and we could use the plainer condensed version in the mail. Superintendent Blonquist explained that last year we mailed out the report with the utility billings.

There were some discrepancies pointed out in the draft as well as some clarification points which were requested of the Board to add to the report. Superintendent Blonquist will make the adjustments prior to sending the report to print and placing it on the web.

It was determined by the Board that the lower costing two color report would be adequate for the community.

Superintendent Blonquist expressed his appreciation to the Board for their help and views on this yearly report.

Proposed Storm Drain Utility Increase – Darin McFarland, Streets Superintendent/Bruce Leonard, Public Works Director

Director Leonard greeted the Board members and explained he had prepared a short Power Point presentation to show them regarding the storm drain systems we currently have.

Director Leonard showed pictures and provided input on the following Detention Basins:

- Brigham City West Center Detention Basin
- Lindsay Park Detention Basin
- Mary E. Christensen Park Detention Basin
- 1100 South Drainage Ditch
- Flat Bottom Canyon Debris Basin
- Upper Frog Pond
- Lower Frog Pond
- Box Elder Creek Realignment Project
- Box Elder Creek Confluence
- North Forty Subdivision Detention Basin
- Pioneer Park Pond Detention Basin
- Intermountain School Detention Basin
- Watkins Park Detention Basin

Director Leonard made the following points in his presentation:

- The Storm Drain Utility was created by Ordinance in March of 1997. The previous Council did not think a rate was needed at that time and the following Council created a rate. EPA Phase I Regulations was everything larger than 1,000,000. Phase II is anything below that. Phase II has been implemented. But Brigham City was considered a non urbanized area and the regulations/permits haven't been mandated yet.
- Storm Drain Utility Rate was established in September of 1998. Commercial and Residential. The Residential rate created of \$3.50 per month equals one Equivalent Residential unit (ERU) and is equal to of 3,000 square feet of impervious surface. The average house and impervious service in Brigham City was 3000 square feet and that was the basis of the calculation. To calculate the commercial areas we digitized the impervious areas of all commercial areas and businesses and calculated by 3000 square feet. The commercial areas calculated were assessed per ERU. (3,000 s.f.= 1 ERU)

- Revenue – three year average \$439,098
- Operating Expenses – three year average \$246,545
- Currently we are restricted from doing Capital Projects because we have a deficit. At this time excess funds payback Capital Expenditures from previous years of \$192,553 so why are we asking for a rate increase. The LDS Church West Stake Center was building a new stake center and we had to put the storm drain utility in to coincide with the development of their property even though we were not ready to do so. At Lindsay we spent \$900,000 to re-develop and build a collection detention system. We over spent the fund we because we built a whole lot of infrastructure and detention basins.
- For the last 2 years we have not done any projects.

Board Discussion:

Mr. Uken stated you mentioned a rate increase even given the current status \$190,000 a year in the current rate structure. Director Leonard explained we owe the money we borrowed against the General Fund. Vice-Chair Fife asked how many years. Mr. Sheffield stated about 3 or 4 years. He went on to say what has happened is we funded the projects through the General and Utility Funds. Right now we have a deficit of \$691,000 in the Storm Drain Utility and it will take 6-7 years to pay off with out the construction projects. Mr. Sheffield said we have over \$5 million in just what we have to do. This \$190,000 won't even accomplish it.

Director Leonard said the 2004 Storm Drain Capital Facilities Plan Update identifies 96 projects needed to support existing development and future growth. He said we are in the process of soliciting Federal Funding to see if we can start the process of reconstructing the Upper Frog Pond.

- Upgrading existing infrastructure \$5,774,700
- Development Based \$7,788,300
- Improvement for new development \$3,404,300
- Total 16,967,300

Director Leonard said we have a challenge in front of us. In addition the new Frog Pond Detention Basin and Outfall System is projected to cost \$1,347,367.

Analysis:

- a. Annual O&M \$300,000
- b. Debt service \$138,000(\$691,000 payback over 5 years)
- c. Capital construction \$500,000
- d. Total Cost \$938,000

e. Worked with Kent Jones on this
Shortage of \$502,065
Director Leonard explained the projected increase:

- Residential 55% - 276,135
7177 = \$3.21 increase or \$6.71 mo.
- Commercial 45% = \$257,929
573 = \$33.00 increase or an average monthly cost of \$61.50 based on an existing average of \$28.57

Director Leonard said some commercial users will pay more than others because of their ERU's.

Director Leonard said the Mayor has recommended a \$1.50 utility increase in her budget presentation which changes the rate from \$3.50 to \$5.00. This increase amount could generate \$227,000.

Vice-Chair Fife asked how does the impact fee work in? Mr. Sheffield said we will use it on new development only. He said in Brigham City the storm drain is shared with the irrigation system so we really don't have a true storm drain in areas of Brigham City. He said you have been put in a rock and a hard place because when the storm drain impact rate was finally established they placed it way to low.

Council Member Adams stated what happened was the previous council had a study and needs assessment done. He said they recognized the needs, but did not fund it which put the next Council, recognizing the liability with nothing established, to take care of it. He said we established our rate on an old study. Council Member Adams said of course there were a lot of needs that were not identified and we found later it was way below par. What Director Leonard is doing now is paying back the debt and not doing any work.

Council Member Adams stated his concern, as a council member is, we have all these needs and then the system O&M. We are so close to the bone right now we don't have enough money to do what we are supposed to do. He said we are going to loose it on both ends. Council Member Adams went on to say that our dilemma is we established the fund. He said he is worried about the increase for the people who need time to meet the increase before they are obligated to pay it. The worst thing that could happen to us now is that EPA could impose Phase II on us. I guess to look at it we need to do something, but what can we afford.

Director Leonard said one of the other things we talked about is if the increase is approved there is a possibility of looking into some bond funding. Maybe we look at the projects that are west of I-15 and say they are down the road and concentrate on some of the areas that need to be addressed. The frog pond is one of those. The land owners around the North Forty Subdivision are very concerned about flooding.

Vice-Chair Fife asked if there were any matching funds available. Director Leonard said we have applied through our lobbyist to get congressional funding that could possibly help us. Although we don't know how long it will take.

Council Member Adams said the Council has left this alone until we get some input from PUAB.

Mr. Gunderson said we can't keep going and not doing projects, no matter what. He said we have to face the issue and bite the bullet as far as he is concerned. Vice-Chair Fife asked how the Mayor decided on the \$1.50. Director Leonard said we looked at what would be most appropriate for the community. Council Member Adams said you are only going to generate for residential around \$100,000 the rest will come from commercial. Mr. Sheffield said we tied to electric meters so it will be a little more.

Council Member Adams said at last night's work session the council discussed this issue. He said Council Member Marabella stated we need to come out and be square with the public. If we go \$1.50 now each year we need to explain we are going to increase and give them time in between. Vice-Chair Fife said it's not a huge amount we are talking about.

Director Leonard said it would be nice if we never had to do anything. But, as 1100 South expands we continue to increase flows on the larger storm drains.

Vice-Chair Fife asked what has happened on the secondary. Director Leonard said that Brett Jones gave a little bit of an update at the Water Board. He said we are waiting for the study to come back. Director Leonard said he is about one more team meeting away from having the study completed. He said they will then bring back the task force for final modifications and present the recommendations to the council.

Vice-Chair Fife asked if there were any recommendations. Mr. Gunderson recommended the \$1.50. Council Member Adams asked \$1.50 or \$3.15? Mr. Sheffield stated if you go to the \$1.50 then the recommendation needs to include this is incremental until we get it to the point we need.

Council Member Adams said let's see if we can understand. If Mr. Gunderson recommends increasing to the \$1.50 we have to get some methodology to get to the \$3.31. Mr. Gunderson said unless you think they will stomach the whole thing.

Vice-Chair Fife said what if we say \$3.15. Council Member Adams said it may be a bit of an uproar although in the long run it will be a savings. Council Member Adams stated, would I support it, yes. He said I believe the council will be reluctant from a political stand point. He stated the biggest upheaval will be with the commercial. We need to give them time to prepare.

Mr. Uken said he recommends that we support the Mayor's request. Vice-Chair Fife said we can propose more. Council Member Adams said you can propose an amount, something in between or incremental increases.

Mr. Gunderson said, I believe that has to be done. Vice-Chair Fife said, incrementally? Mr. Uken said I believe the Mayor's proposal reflects the council's feelings.

Mr. Sheffield said if you say \$1.50 then each year it goes up. Council Member Adams interjected so by the end of the 3rd year we will be where we want to be.

Vice-Chair Fife said we can go \$2 and then .75 cents for the next 2 years. Council Member Adams said then the message served is that it tells them there is support based on need.

Director Leonard said I know this is a tough decision. We need to take care of our citizens.

A motion was made by John Gunderson that we propose a \$2.00 increase with increments of .75 a year until it is at \$3.50 over a 3 year period. Second by Vice-Chair Fife, motion passed unanimously.

Meeting adjourned at 8:25pm